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Date: 11-27-78 **By:** [Signature]

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NOV 3 1953

MEMORANDUM FOR: Acting Deputy Director (Administration)

TO: Chief of Administration, DD/P

SUBJECT: Survey Report of the [REDACTED] Administration.

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1. **PROBLEM.** To re-evaluate Budget and Fiscal T/O positions within the WE Division with a view toward determining:

- a. The appropriate location organizationally for the most economic and efficient performance of essential Budget and Fiscal function, and
- b. The number of personnel estimated to be required for the performance of such functions.

2. **FACTS BEARING ON THE PROBLEM.**

- a. This analysis is restricted to the [REDACTED] WE, its relation to the headquarters branches and field stations of the Division, to present budget and fiscal procedures, and to an analysis of the work factors of the Budget and Fiscal Section. 25X1A
- b. The [REDACTED] WE, now has a staff of [REDACTED] people. The approved T/O of the position is [REDACTED] on the T/O of the Office of Chief Admin. WE. 25X9 25X9
- c. The Chief of the Section not only serves as Budget and Fiscal Officer but also in a capacity comparable to a Deputy Admin. Officer as well as a financial advisor to the Chief of the Division. This places additional requirements other than purely budget and fiscal duties on the Section. There is no designated Deputy Admin. Officer and the Chief of the Administrative Staff works very closely with the Executive Secretariat of the Division. The close functional relationship between the Chief, [REDACTED] the Chief of the Administrative Staff, the Executive Secretariat, and the Chief of the Division makes it necessary to recognize this additional responsibility place on the Chief of the Budget and Fiscal Section not common to that of other Area Divisions. 25X1A
- d. The Section has installed the New Allotment Control Records as prescribed in CSN [REDACTED], dated 30 June 1953. 25X1A

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e. Request for Shipment (Form 36-1) is prepared in [redacted] and forwarded to the [redacted] for obligation. An estimate of the obligation is made in the [redacted] by taking a flat 20% of the amount of the estimate of the goods to be shipped. Since insufficient information is given the Area Divisions to liquidate these obligations, a more realistic method of estimating these obligations should be established.

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f. The Section has accumulated a total of 221 hours of overtime for the months of July, August and September 1953. During the same period, however, employees were away from their duties a total of 396 hours on either sick or annual leave.

g. No instructions have been received by the Section as to what types of records need to be maintained within the Division relative to G6 and G9 Supplies which have been withdrawn from Logistics Office, CIA.

h. The Division has an annual budget of approximately [redacted] and has [redacted] under its jurisdiction. The [redacted] maintains records on the following allotments:

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Headquarters vouchered
Headquarters unvouchered

[redacted]

3. DISCUSSION.

a. Although no instructions have been received by the Section as to what types of records need to be maintained within the Division relative to control of funds allotted to Logistics Office CIA, for G6 and G9 classes of Equipment and Supplies, the Budget and Fiscal Section maintains a simple memorandum record on the "authority to withdraw Equipment and/or Supplies" on all projects. The [redacted] Section prepares an estimate of the Acquisition on a JCS card and forwards it to the Budget and Fiscal Section where postings are made to the memorandum record. This procedure can be simplified by the [redacted] maintaining this memorandum on the "authority to withdraw Equipment and/or Supplies" on all approved projects and the [redacted] maintaining Allotment Control Records only on funds allotted to the Chief of the Division. This procedure has been recommended by the Technical Accounting Staff, Office of the Comptroller and in previous reports submitted on the [redacted] of other Area Divisions

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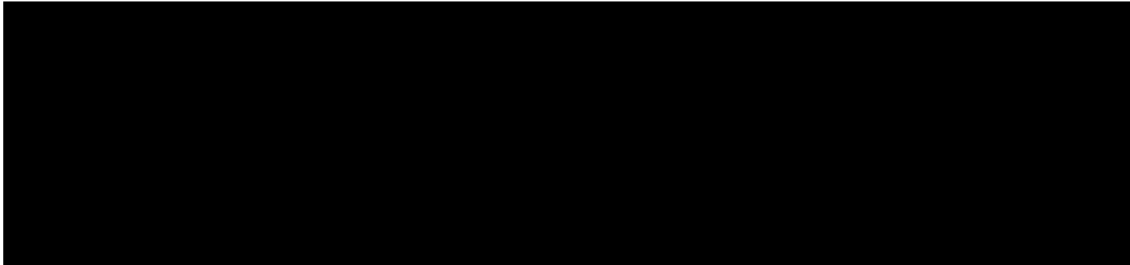
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- b. No actual record of work loads was available in the Section. An estimate, however, was made by the Chief of the Section as to the apportionment of time of his personnel during a month (See Tab A). This estimate totalled 820 hours per month of productive labor.

c.



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- d. The following observations are made of the analysis of the work load factors:

- (1) 160 hours per month is devoted to Conferences and Meetings. This is considerably above the average for the other Divisions thus far examined. Most of this time can be attributed to meetings attended by the Chief of the Section and is made necessary because of the peculiar situation as explained in paragraph 2c and should not be considered as purely budget and fiscal functions.
- (2) 28 hours per month is attributed to giving concurrence on cables and dispatches routed through the Section which primarily concern certain actions to the field pertaining to purely technical finance matters. These actions have been assigned to Finance Division by CSN [REDACTED] dated 1 June 1953. This area division work load can be eliminated by giving releasing authority to Finance Division on purely technical finance matters which do not involve operations. Although the DCI's letter of 15 July 1953 specifies, "Maintaining Area Divisions as presently established and designating the Area Division Chiefs, subject to paragraphs 2c and b above, as channels between Washington Headquarters and the various field installations in their geographic areas of responsibility", yet under Procedures, paragraph 3 of the same letter is found the following, "Technical and professional correspondence will be kept as informal as possible and will be encouraged between the Area Divisions, specialized staffs in Washington, and their counterparts in the field". It would appear that correspondence on technical finance matters between Finance Division and field installations would be included in the intent of the procedure quoted above and that the DD/A and DD/P should request clarification of higher authority.
- (3) 18 hours per month is being expended by this Section performing the function of preparing travel vouchers. The [REDACTED] Section should discontinue this function and the employees should

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be encouraged to utilize Central Processing Branch in accordance with Agency Notice [REDACTED] paragraph 3.

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- (4) 30 hours is expended by the Section on the function of preparing travel orders. Since only TDY orders is written in the [REDACTED] an additional amount of time is probably expended by the Personnel Section in the writing of all PDS orders. It is believed that a study should be made to determine whether or not the centralization of the preparation of all travel orders in the Central Processing Branch can be effected and thereby reduce the number of people within the Agency performing this function.

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- (5) It was stated that approximately 25% to 30% of the travel orders written required amendments. Most of these are made necessary because of itineraries being completely changed after the travel order is written or because of insufficient information on the Request for Travel Orders. Since the preparation of travel order amendments is time consuming, all elements of the Division should be informed that it is their responsibility to give all essential and accurate information on the Request for Travel Orders Form before forwarding same to travel clerks.

- (6) 20 hours is consumed by collection of Hospitalization Insurance from Division employees. The Personnel Section of most of the other Area Divisions perform this function and it is recommended that the Personnel Section of the WE Division assume this duty.

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- e. The [REDACTED] reviews travel vouchers before forwarding them to Finance Division. This review closely resembles an audit. The audit of all financial documents is a function of Finance Division and therefore the Area Division [REDACTED] is performing a duplicating function when it attempts to audit.

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- f. Some instances were found wherein Finance Division had sent cables to field stations of the WE Division requesting certain accountings that had previously arrived at Headquarters and had been forwarded to Finance Division by the Area Division. Finance Division should assure itself that the financial document in question has not been received by them before dispatching requesting cables to the field.

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- g. Field station accountings are operationally reviewed by the various Branches of the Division and reviewed for charges to the proper allotment in the [REDACTED]. It was stated that most of the accountings being received are indicating the proper charges.

- h. There are still items on the IBM accounting form prepared by Finance Division which cannot be identified, however, a definite improvement is being noted.

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b. CONCLUSIONS.

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- a. Organizationally the [REDACTED] is appropriately located. The Chief of the Administrative Staff is giving adequate support to the Chief of the Section and proper controls exist to insure that no documents obligating funds of the Division are released by the Division without prior clearance by the [REDACTED]
 - b. Many of the inadequacies which now prevent the maintaining of accurate financial records by the AA Division Budget and Fiscal Section are caused by deficiencies over which the Area Division has no control.

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5. RECOMMENDATIONS.

- a. It is recommended that:

- (1) Because of the situation as described in paragraph 2c of this report, a Deputy Chief of the Administrative Staff should be established and those duties of a general financial administrative nature now being performed by the Chief of the [REDACTED] Section be assigned to this position.
- (2) A study be made to determine the feasibility of charging all transportation charges exclusive of those necessary for the movement of personal effects against one allotment.
- (3) Instructions be given all [REDACTED] of the Area Divisions relative to procedures, types of records to be maintained on the property authorization control procedure of 08 and 09 funds.
- (4) Releasing authority on dispatches and cables to the field pertaining to purely technical finance matters as specified in [REDACTED] dated 4 June 1953 be delegated to Chief of Finance Division.
- (5) The [REDACTED] discontinue the function of preparing travel vouchers for staff employees, and the employees be encouraged to utilize Central Processing Branch in accordance with Agency Notice [REDACTED] paragraph 3.
- (6) A study should be made to determine whether the functions of preparing travel orders can be withdrawn from all Area Division and Staff elements of the DD/P and assigned to the Central Processing Branch.
- (7) Those Division elements responsible for initiating a request for travel orders be instructed to be as exact and specific as

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possible in their initial request and thereby reduce the number of travel order amendments.

(8) Transfer the function of collection of Hospitalization Insurance to the Personnel Section.

(9) The [REDACTED] cease its efforts to pre-audit financial documents.

(10) The elements of the DD/P and the Office of the Comptroller continue their efforts to work out a uniform method of identifying obligations and expenditures.

(11) The Comptroller's Office in conjunction with the appropriate element of the DD/P institute a more effective inspection program whereby all Area Division Budget and Fiscal Sections will be periodically inspected.

(12) The present staff of six people is believed to be adequate to perform the present functions assigned to the Section. However, at such time as the above recommendations are accepted and installed it is believed that the T/O can be reduced to four.

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[REDACTED]
Management Examiner

1 Attachment

TECHNICAL ADVISORS:

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[REDACTED]
Chief of Finance Division Representative

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[REDACTED]
Technical Accounting Staff
Office of the Comptroller

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COMPARISON:

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Comptroller's Office Representative

APPROVED:

Assistant Management Officer, IO/A
(For Clandestine Services)

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W. L. FRIEL
Management Officer, IO/A

NOTE: Verbal approval has been given, but due to the absence of [REDACTED] his signature is unobtainable.

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